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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Summit Entertainment, LLC,)	CV 11-3570 RSWL (JCx)
a Delaware limited)	
liability company,)	
)	
Plaintiff,)	
)	
v.)	ORDER Re: Defendant's
)	Motion to Dismiss or
Bath & Body Works Brand)	Transfer [8]
Management, Inc., a)	
Delaware corporation, and)	
Does 1-10, inclusive,)	
)	
Defendants.)	
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On June 28, 2011, Defendant Bath & Body Works Brand Management, Inc.'s ("BBW") Motion to Dismiss or Transfer [8] came on for regular calendar before this Court. The Court, having reviewed all papers submitted pertaining to this Motion, and having considered all arguments presented to the Court, **NOW FINDS AND RULES AS FOLLOWS:**

The Court hereby **DENIES** Defendant BBW's Motion to Dismiss. However, the Court **GRANTS** the alternative

1 relief requested of transferring Plaintiff Summit
2 Entertainment, LLC's ("Summit") California Action to
3 the Southern District of New York. The Court finds
4 that Defendant BBW has satisfied the requirements
5 necessary for granting its Motion to Transfer pursuant
6 to the first-to-file rule as set forth by Alltrade,
7 Inc. v. Uniweld Products, Inc., 946 F.2d 622, 623 (9th
8 Cir. 1991).

9 First, the Court finds that Defendant BBW has
10 properly shown that its declaratory judgment action in
11 New York ("New York Action") was filed before Plaintiff
12 Summit's later-filed suit in California ("California
13 Action"). Second, the Court finds that there is
14 sufficient similarity between the parties in the New
15 York and California Actions given that the parties are
16 identical. Finally, the Court finds that the New York
17 and California Actions are sufficiently similar because
18 they share the same key issues. See Inherent.com v.
19 Martindale-Hubbell, 420 F. Supp. 2d 1093, 1099 (N.D.
20 Cal. 2006) (holding that two actions are not required
21 to be identical or have the same number of parties and
22 claims in order to satisfy the first-to-file rule).

23 The Court also finds the equitable exceptions of
24 the first-to-file rule to be inapplicable in this case.
25 Ward v. Follet Corp., 158 F.R.D. 645, 648 (N.D. Cal.
26 1994). First, the Court finds that Defendant BBW has
27 sufficiently shown that its declaratory judgment action
28 was not an anticipatory filing for the purpose of forum

1 shopping. The Court finds that Summit did not
2 concretely indicate to BBW that a lawsuit was imminent.
3 In addition, the Court finds that Summit's cease and
4 desist letters did not use explicit language signifying
5 that a lawsuit was imminent. See Intersearch
6 Worldwide, Ltd. v. Intersearch Group, Inc., 544 F.
7 Supp. 2d 949, 960-61 (N.D. Cal. 2008) (holding that "a
8 letter which suggests the possibility of legal action .
9 . . in order to encourage or further a dialogue, is not
10 a specific, imminent threat of legal action").

11 Furthermore, the Court finds that there is
12 insufficient evidence to establish that BBW filed its
13 declaratory action in order to forum shop. Instead,
14 Defendant BBW persuasively argues that it filed its
15 declaratory action only after failed efforts to
16 initialize settlement discussions with Plaintiff
17 Summit's counsel due to Summit's failure to respond
18 promptly. BBW also persuasively demonstrated that it
19 had substantial connections to warrant filing the suit
20 in New York.

21 Second, the Court finds that there is insufficient
22 evidence to show that BBW demonstrated bad faith during
23 the Parties' attempts to initialize settlement
24 discussions. Although BBW's filing of its declaratory
25 judgment action may have been a "tactical decision,"
26 the evidence suggests that BBW did not mislead
27 Plaintiff Summit into thinking that BBW never intended
28 to engage in settlement discussions. In addition, the

1 Court finds that BBW's delay for 44 days in serving
2 Summit with the New York Action was not unreasonable or
3 done in bad faith because the delay was to encourage
4 settlement to avoid costly litigation. See Guthy-
5 Renker, 179 F.R.D. at 271-72 (holding that plaintiff's
6 delaying service for 87 days did not show that
7 plaintiff's action was improper).

8 Finally, the Court finds that the balance of
9 convenience exception to the first-to-file rule does
10 not weigh in favor of Plaintiff Summit's California
11 Action. The location of witnesses and parties do not
12 justify a departure from Defendant BBW's choice of
13 forum since both parties have equally compelling
14 reasons to hear the case in their respective forums to
15 avoid inconveniencing their witnesses. See Guthy-
16 Renker, 179 F.R.D. at 273 (concluding that the location
17 of witnesses and evidence is insufficient to justify
18 departure from plaintiff's choice of forum when
19 plaintiff and defendant have equally compelling reasons
20 to litigate in their respective forums).

21 In addition, the Court finds that the increased
22 calendar congestion in New York is inadequate to shift
23 the balance of convenience in favor of moving this
24 dispute to Plaintiff Summit's choice of a Californian
25 forum. A difference of 2.4 months from filing to
26 disposition between the California and New York forums
27 is insignificant and reveals that there is no
28 substantial difference between the respective trial

1 calendars.

2 Finally, the Court finds that both BBW and Summit
3 have substantial connections to the New York forum as
4 both parties still do business in the state of New
5 York. BBW has several brick-and-mortar stores and an
6 office building in New York which houses the design
7 team of the allegedly infringing "TWILIGHT WOODS"
8 trademark. Summit also conducts routine business in
9 New York and has brought suits in New York in the past.

10 Accordingly, the Court **GRANTS** Defendant's Motion to
11 Transfer pursuant to the first-to-file rule. The Ninth
12 Circuit recognizes that the first-to-file rule "allows
13 a district court to transfer, stay, or dismiss an
14 action when a similar complaint has already been filed
15 in another federal court[.]" Alltrade, 946 F.2d at
16 623. The Court finds that Plaintiff Summit's
17 additional allegations made in the California Action
18 against Defendant BBW warrant transfer of Plaintiff
19 Summit's California Action rather than its outright
20 dismissal. Transfer of Plaintiff Summit's California
21 Action will allow for expeditious litigation of both
22 Actions.

23 Furthermore, the Court **DENIES** Defendant BBW's
24 request for incurred costs and attorneys' fees from
25 having to file this Motion. Federal Rule of Civil
26 Procedure 11(b) holds that a written motion must not be
27 frivolous or presented for an improper purpose such as
28 to harass or cause unnecessary delay. Fed. R. Civ. P.

1 11(b). The Court finds that Defendant BBW has not
2 sufficiently demonstrated that Plaintiff Summit's
3 filing of the suit before this Court amounted to a
4 Federal Rule of Civil Procedure 11(b) violation and
5 therefore **DENIES** Defendant BBW's request for incurred
6 costs and attorneys' fees.

7
8 DATED: July 1, 2011

9 **IT IS SO ORDERED.**

10 /s/ RONALD S.W. LEW

11
12 **HONORABLE RONALD S.W. LEW**

13 Senior, U.S. District Court Judge
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